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ABSTRACT

Retirement is a phenomenon of contemporary, industrialized nations. Retirement, which may be either voluntary or forced, generally refers to that phase in life when full-time, paid employment ceases. Depending on individual circumstances, it may be viewed as either a positive or negative event. Retirement planning and preparation are key factors in developing favorable attitudes toward retirement. Demographic, economic, and social changes which will have an effect on retirement in the future include an increase in the number of elderly, an increase in life expectancy, the need for elderly persons to earn money, and the changing work and career roles of women. Retirement planning refers to those activities which help individuals make decisions about their retirement. Areas of concern which are covered in retirement preparation programs include: finance, interpersonal relationships, self-concept, physical changes, and life-style changes. Potential benefits of retirement planning include: a better understanding of normal changes which occur as a result of aging and retirement, interpersonal communication skills and a feeling of control over the future, a personal plan for retirement, a positive attitude, and successful adjustment. This document includes a five-item bibliography of references, two of which are available from the Educational Resources Information Center (ERIC) system. (DC)

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Retirement Education Programs.

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by

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OVERVIEW

ERIC® DIGEST NO. 29

Clearinghouse on Adult, Career, and Vocational Education

RETIREMENT EDUCATION PROGRAMS

Retirement is a phenomenon of contemporary, industrialized nations. In 1900, nearly 70 percent of all men aged sixty-five and over were still in the work force, and retirement as an institutionalized social pattern was almost nonexistent. Today, nearly 80 percent of men aged sixty-five and over are retired from the work force, and retirement is considered to be a natural occurrence, an accepted part of an individual's life cycle (Brahce 1983). During this same time period the participation rates of older women in the work force have remained about the same—8 to 10 percent (Work in America Institute 1980). But, since the percentage of women participating in the labor force is increasing, women, too, will be facing retirement decisions similar to those of men. This overview examines the concept of retirement, including trends that are influencing it, and describes retirement planning and education.

Retirement

Generally, retirement refers to that phase of an individual's life in which full-time, paid employment ceases. It is a time when the role of worker either stops or is drastically altered. During retirement, income is derived in part from a pension earned through prior years of service. Retirement may either be voluntary or forced (Atchley 1976). Frequently, retirement is viewed as the major milestone marking the move from middle to old age, designating the end of work life and the beginning of a more leisurely lifestyle (Brahce 1983).

According to Peterson (1983) retirement can be seen in several contexts. It can be seen as—

- a **process** that begins with informal planning for retirement;
- an **event** usually marked by some sort of ceremony signaling the end of paid employment;
- a **social role** replacing that of worker;
- a **phase of life** beginning with the retirement event and ending in death.

Depending on individual circumstances, retirement may be viewed as either a positive or negative event. Brahce (1983) says that retirement is usually viewed positively when individuals have developed favorable attitudes toward it, are prepared for it adequately, and have developed social roles outside the work setting. Negative attitudes about retirement are generally the result of mandatory or forced retirement, poor health, little preparation or preplanning, and little or no participation in activities outside of the workplace. Thus, retirement planning and preparation are key factors in developing favorable attitudes toward retirement.

The Expanding Need for Retirement Education

A number of demographic and population changes will have a direct impact on work and retirement roles of future cohorts of the elderly. Brahce (1983) identifies some of these trends.

- The number of elderly in the population is increasing, and this increase will continue. By the year 2000, the number of Americans aged sixty-five and above is expected to reach 31 million; by 2035, the increase will stabilize, but by then there will be more than twice as many individuals aged sixty-five and over as there are today (U.S. Bureau of the Census 1977).
- There has been an increase in life expectancy for the very old and additional reductions in mortality rates are anticipated. By the year 2000, those who are aged seventy-five will have increased from the current 38 percent of the older American population to 45 percent. In the year 2040, when "baby boom" adults pass their seventy-fifth birthdays, there will be more people over seventy-five than there are people over age sixty-five today.

These demographic trends are likely to affect the work and retirement roles of the elderly in a number of ways. Because of increased life expectancy, some individuals may desire to continue in a work role beyond the normal retirement age of sixty-five, especially as long as they are in good health. Unfortunately, increased longevity may mean that some elderly will have to work beyond the normal age of retirement for economic reasons. Also, the increased numbers of elderly may become an economic burden on those who are working and supporting their retirement; therefore, the age at which retirement benefits can be drawn may be raised.

Another trend that is affecting retirement planning is the changing work and career roles of women. In the past, households generally had only one retirement decision to consider—that of the husband. Now, however, with the increasing number of working wives, there are two retirement decisions to be made. For a number of reasons, including different work patterns and histories, age, and general health factors, women are often choosing to work beyond the retirement dates of their spouses. Single, divorced, and widowed women, many of whom have nontraditional work patterns and histories, also have retirement decisions to make. The diversity among contemporary working women is an indication that their retirement needs will be equally diverse (Brahce 1983).

Retirement Education Programs

Retirement planning refers to those activities that are designed to help individuals make decisions about and plan for their retirement. A number of terms are used to describe retirement planning, including retirement education, retirement counseling, and retirement

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preparation. Since the activities usually take place prior to retirement, they are frequently referred to as "preretirement" (i.e., preretirement education, preretirement counseling, or preretirement preparation). According to Peterson (1983), "preparation for retirement education is one of the most common forms of organized instruction for older adults" (p. 206).

A number of areas of common concern to most retirees are covered in retirement preparation programs. Brahce (1983) lists these areas:

- **Financial**—Retirement preparation programs can assist individuals to make adequate financial plans for retirement as well as prepare them for living on a reduced income. Financial planning has taken on added importance due to inflation and increased life expectancy, and it should begin well before retirement. In addition to information about retirement income from Social Security, pension, annuities, or investments, this area might also cover legal aspects such as drawing up a will, creating a trust, gift and estate taxes, and income tax benefits of the elderly.
- **Relationships**—Retirement brings changes in interpersonal relationships. It may mean disruption of long-standing social contacts with relatives, friends, and work associates. Also, retirement frequently means increased contact with spouse and other family members. Retirement preparation programs can provide a forum in which individuals can discuss these changes. Many programs point out psychological changes that come with retirement and emphasize how adjustment can be facilitated.
- **Self-Concept**—Because self-concept is often tied to work roles, retirees may need assistance in developing new avenues for expressing themselves and increasing self-esteem. The loss of the work role needs to be acknowledged and discussed. Discussions can include feelings people have about their jobs, alternative roles available in retirement, and the process of replacing the work role. Retirement preparation programs may suggest viable alternatives to the work role, such as participating in volunteer activities, becoming politically active, or engaging in educational pursuits.
- **Physical Changes**—Even though individuals may experience relatively good health during retirement, they still need to be prepared for physiological changes that come with age. Discussion of health problems common to the elderly are also helpful in preparing persons for the future. Because existing stereotypes cast the elderly as ill, dependent, and disabled, some time should be devoted to assuring participants that they might expect to make only modest accommodations to health conditions during retirement.
- **Life-style Changes**—During retirement many persons experience changes in their life-styles. These may be voluntary, such as changes in living arrangements, or forced, such as the loss of a spouse through death or divorce. Leaders of retirement preparation programs can prepare individuals for life-style changes by discussing possible life-style alternatives. Participants can clarify their feelings about possible changes prior to retirement in order to make appropriate decisions when the time comes.

Additional topics that might be included in retirement education programs are consumer information, legal rights, mental health, nutrition, career and part-time work opportunities, human sexuality, spiritual needs, and community resources.

Outcomes of Retirement Education Programs

Peterson (1983) identifies five potential benefits for individuals who participate in retirement planning. Participants are likely to develop—

1. better understanding of the normal changes that occur as a result of aging and retirement;
2. planning and interpersonal communication skills, and an understanding that they have some control over their future;
3. a personal plan for retirement;
4. a positive attitude toward retirement and the potential for continued success and growth;
5. successful adjustment to retirement.

Although much yet remains to be learned about the benefits of retirement preparation programs, "the literature shows surprisingly strong support for the efficacy of retirement planning programs and lends credence to the value of education for middle-aged and older people" (ibid., p. 228).

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